ALLOCATION OF TIME FOR DISPOSAL OF GOVERNMEVT BUSINESS

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): I have to inform Members that the Business Advisory Committee at its meeting hold-today, the 2?rd April, 1987, allotted time for Business as follows: <

Business,	time Allowed
1. Discussion on the working of the Ministry of External Affairs.	Discussjon to start tomorrow, the 44th April,, 1987. Minister to reply on 27th April, 1987 in the evening.
2, _ Discussion on the working of the Ministry of Defence.	1 day i. e. April 29, 1987.

HALF-AN-HOUR DISCUSSION ON POINTS ARISING OUT OF THE ANSWER GIVEN IN THE RAJYA SABHA ON THE 2ND MARCH, 1987 TO STARRED QUESTION 63, REGARDING THE NEW. DRUG POLICY

SHRI RAJNI RANIAN SAHU (Bihar); Mr. Vice-Chairrran,, Sir, i, am thankful to you for giving me an opportunity for this discussion which. has 'arisen out of the Starred. Question 63 dated 2nd March, 1987.

Sir, the Government released a statement purporting to be New Drug Policy just a week after the end of the winter ses-. sion of Parliament. This policy statement. was being subjected to public criticism. I[1] do not know what has made the hon. Minister to announce this policy in such a hurry. Curiously enough, Sir, instead of elaborating the earlier 1978, Policy, the document back-track on several issues. The measure has completely / ignored several important issuers such as the consumers's interest. Sir, no doubt the objective laid down *va.* the Introduction, of 1986 policy has emphasised the vita] role of pharmaceutical, industry. in serving the basic needs of the people to attain its objective and the objective of self-sufficiency as suggested by the Hathi Committee. Sir, this measure lacks in many directions. And that is why a . series of criticism has come up in public as well as in the media.. Sir, before I. proceed further, I quote some of the editorials of the newspapers. The 'Times of ' India' dated 20th December, 1986 says, "No Drug Policy". The 'Hindustan Times' of 20th December,, 1986, says, "Drug Policy Anti-people". The 'Patriot' of 20th December, 1986, says, "New Drug Policy Criticised". Likewise, almost all the newspapers of India in different editorials said that this policy is a discouragement to the development of indigenous manufacture capabilities, Sir, I "do also feel that it has not been looked into the consumers' interests. It has also been said that it is anti-people. So much so that the Indian Medical Association which has got a membershp strength of 60, 000 doctors feared that the prices of medicines would go up by enforcement of this policy as much as 60 to 300 per cent.

The Deputy Chairman in the Chair.

Madam Deputy Chairman, as a result -of the implementation 'of. the policy we have to see its impact on the consumer,, self- sufficiency, production by indigenous' industries and "development of the public! sector as" well. I would like to concentrate my views as to how it is going to affect the consumer. As it is, 'the measure^ is completely silent about the interests of . the consumer -That is, consumer has been left at the. - mercy of the producer, may be indigenous producer of both sectors, large-scale and small-scale and may be also the multi-nationals.

Madam, so far as the interests of ' the V consumers are concerned, we must take into consideration broadly two aspects. Consumers must get essential drugs 'and consumers must get medicines at fair and cheaper prices and consumers should "als*> get the benefit of drug equalisation fund which was provided in 1978 policy.

Madam, the Prime Minister is keen to achiev* and ensure health care facilities to common masses by 2000 A. D. But I have got every doubt whether this will be at al] achieved by this measure. The measure does not say or propose to discourage the production of non-essential and useless medicines; rather the produc-v tion of non-essential medicines, has gone up and production of- essential medicines has gone down, This has been our past experience..

Madam, from the figures available to me, I quote, in 1978-79, the sale of essential drugs was to the tune of Rs. 55. 47 , rores, whereas, in 1983-84, *At* has come down to Rs. 49. 35 crores. In the sphere of non-essential medicines as in 1978-79, the production was to the turte of Rs. „ 154. 44 crores and the jame has gone up In 1983-84 by Rs. 198. 38 crores. Madam, neither the policy of 1978; nor the Hathi Committee's report permitted this. Now, the question arises, why this measure? I feel there are two provisions in 1978'policy to safeguard. It has been provided in clause. 59 of 1978 policy and I quote: "It will be ensured progressively that at least 20 per cent of the turn over of 'an indivi* dual drug company is in categories 1 and 2 formulations: " Madam, in this measure this factor has been totally ignore ed and the mark-up is also not very bright for category 1 "and 2 in order to make available at reasonable prices. Now the question arises as to how the consumer'-will. [1] get essential drugs at reasonable prices. - Nonetheless, by expanding the basket' of decontrolled items it is but natural For, a company to produce such medicines which will give them much more profit, and thereby incentive to produce non-essential and useles$_s$ drugs, lie vitamins, *golie$_s$* etc. Madam, there is no such dis-. incentive in this measure. By expanding the n«»ber of decontrolled items it is not understood how such a proposal will give relief to the poor consumer or to the cpuntry. Whatever 'the basis on which a conclusion has been drawn, nowhere it has been spelt out. If past experience is any guide the price of decontrolled items went up by 100 to 800 per cent during the last five years. In reply to several ; questions in this House, such as Unstarred Question No. 620 on March 1987, the hon. Minister informed the House that the price of price decontrolled medicines up by 819 per cent.. In cas| <of another medicine, the price has gone up by 225 per cent. The cost of another medicine, according to his statement, the price has gone up by 580 per cent. Madam, in reply to Unstarred Question No. 61J *on* the same day, the hon. Minister informed an increase of- 213 per cent on Tripranol tablets. There are many examples which; can be quoted. " As admitted by the hon. Minister in both the Houses, the prices of decontrolled medicines were increased by the manufacturers very high, without any - justification. The price decontrol on these ; medicines not only proved to be a iie'avy burden on the consumer, it has also proved to be an attraction to the. drug companies to produce more price decontrol (products, as a result of which essential medicines become short in supply.. Such a step has defeated our national objective of making essential medicines abundanty . available. This is ithe position which: has-been realised by our past •jxperience.

The other important point is, in this area competiton does not play any role because the medeines are being sold tin-. der brand names. One has to buy what has been -prescribed for him by the medical profession, whatever may. be the price. As everyone knows, the drug com-, panies have a very strong sales promotion organisation and they have more influence on the medical profession. Hence, "whatever they- want to sell, they can sell at whatever price they want, when, there is no price control. The proposal of expanding, price decontrol will increase the price of Hydergine tablets has gone on the one hand; and on the other, there will be increase in production of non-essential and useless medicines, as I have stated earlier.

[Shri Rajni Ranjan Sahu]

The other unfortunate situation is that on the one side, no provision has been suggested- for mandatory production of essential medicines, on the other hand, no disincentive proposal has been suggested on

. the production of non-ess?. ntial medicines.

. I would like the hoa. Minister to explain on what basis such a suggestion has been made in the measure announced, by him. If the Government cannot implement the policy, that doe$_s$ not mean that the Government should abolish such policy. In the 1978 policy, 80 cent of the medicines wore under, price control, and this was nerer monitored, it; does not mean that we should expand the basket of decontrol. Hence, the Hathi Committee also recommended control of profitability. This measure is incomplete. Np list $_0$f drugs unde'r price control has been prepared as yet- What was the hurry in announcing such useless and incomplete measures?

Coming to the. other issue, the growth of industry in the real sense j$_S$ the production of bulk drugs from basic stage. This will strengthen the growth of indigenous industry, and make our country strong. I would like to know from the hon. Minister what incentives have been given to safeguard the indigenous producer—small-scale or large-scale—of bulk drugs. Nothing has been spelt ^{ou}t in the measure.

Madam, our national objective j$_s$ self-sufficiency. In 'the 1978 policy, Government announced provision of Drug Equalisation Fund in order to safeguard the interests of indigenous producer and consumer, Hatfii Committee had also re-commendeti the setting up of this fund. It was felt that jj, the larger interest of the coufftr/, the people should not suffer. The object of creating such fund; s that the import price and the indigenous producers' parle should match. By doing away wf)h this provision, in the new measure. Imports started increasing, in-, digenout production declined and prices started n»rmg. The hon. Minister assured tb!t House that Government will recove$_r$ the amount lying with the drug companies. But what has happened? In-. stead of that,, the Drug Price Equalisation fund has teen abolished. The Fund was created to do justice to the consumers as well as *t6* the producers. The provision was made in para 7(2) of Drugs Price Control order, 1979', so as to mop up unintended benefit, Unfortunately, neither any. procedure was laid down nor any guidelines were issued in regard to the operation of this. Fund. It; $_s$ only after four years;, i. e. in the beginning of 1984, when the issue was raised my Parliament, the Department started working on this. The drug industry made several crores of rupees. as unintended profit, unintended benefit at the cost of the consumer. The estimate is around Rs. 70q to Rs. 800 crores and as against this amount, hardly Rs. 70 lakhs have been recovered from the manufacturers.

Madam, since 19184, the Ministry star ted giving notices under this provision. In reply to Unstarred Question Nq. 1557 on 2nd December, 1985, the hon - Minis ter informed the Rajya Sabha that noti ces were issued under para 7 $_0$f Drugs: Price Control Order, 1979, to ?3 drug companies, and in reply to Question No. 2210 answered on 9th December, 1985, the h°n. Minister informed the Rajya Sabha that notice$_s$ to 20 drug companies were issued during May, 1984, jn respect of unintended benefit. made on the" rriedi- * eines required for tuberculosis and lepro tic patients. Madam, almost three years have passed after the notice$_s$ were issued but not even a single paisa, not even a single rupee, has been recovered from the drug companies. The drug companies did not even spare TB and leprotic pa tients. It is obligatory on the part of the Government under the twenty-point pro gramme to provide rnedicines at fair pri ces to this class of patients. It is un fortunate th'at the drug companies even made unintended benefit, which runs into crores of rupees, from a class of the society. Despite all this, the Ministry did not take serious steps to reeover the amount^ -

The Department did not even think of creating a cell for the working out of

claim* and recovering the same. The worst part of it that under provision 7. 2 of Drug Policy, 1978, though it has been provided that a field organisation will be set up under the charge of Development ^Commissioner (Drugs) to operate and implement He pricing' scheme under Drugs Price Control Order (Essential Commodities, Act), Since the last four years, ifrere is no separate Development Commissioner (Drugs). If the head of the department has not been appointed, the creating of which had the approval of the Cabinet, one can imagine the state of affairs. It is difficult *t^* understand that when the department has been given powers under the Essential Commodities Act to. recover the amount, why it •has not collected and why *xfi* serious$_s$ attempts have been made.

Madam, on the. 24tth July, 1984, in reply to Unstarred Question No. 351, the h°n. Minister informed the House that unintended benefit on 15 drugs has been worked out and the prqcess of recovery is on. In another reply on the same day, in respect of Unstarred Question No. 283 in the Lok Sabha, the hon. Minister admitted that non-response by drug companies would be a violation of the Essential Commodities Act.

Now, in the measure announced in December, 1986, unde$_r$ para 5. 4, it has been proposed to abolish the Drug Price Equalisation Fund. The reason stated is that in actual practice, the operation of ifris account js giving rise to administrative problems. This was created for the benefit' of the consumer and the -bulk drug producers i. e. to achieve the national objective of self-reliance and availability of mcdicines at reasonable prices. If there are any administrative difficulties, it is the duty of the Ministry to sort them out and'set them right. The national policies are formulated for the benefit of the people and not for the convenience of the department. When it has been established that the account is ereated *to* do justice both to the consumers and the bulk drug producers, why it has been proposed to be abolished due *to,* the simple realon, i. e. administrative difficulties.

Madam, apart from the objective and the way such a provision ha* been dealt with by the Department; another very important factor "had been totally overlooked by the hon. Minister before making a proposal for he abolition of Drugs Equalisation Fund Account and that j$_S$ the judgement of Delhi High Court bench dated 4th August, 1986- This account was challenged by t'ae Drug industry and the petition was dismissed by Delhi High Court. The bench observed that the total benefit that accrued was double than the amount claimed. As the claim had been made only on the difference' of the bulk drug price, whereas the benefit accrued is approximately double due to an equal amount of markup..

The High Court Bench while dismissing the challenge petition stated in the order that section 7 of the Essential Commodities Act, 1955, as amended, contemplates 'hat no Court or tribunal shall grant an injunction or make any order restraining the Government from recovering such amount.

Madam* I am unable to understand why this Drug Equalisation Fund Account has been abolished; Drug companies are taking double advantage, firstly, making unintended benefit by over-charging the consumer and secondly by showing the liability an J net depositing the amount in i'he account, thus enjoying both the undue benefits. Actually, this has served a blessing; n disguise to them.

Madam, I would place before the hon. Minister only three pomt$_3$ for consideration why the big drug house should (1) enjoy benefit on the formulation prices, i. e. on the mark uP, equal amount which i$_s$ not recoverable under Drugs Price' Control Order, (2) utilise the amount without paying interest.. Actually, the interest should have been credited into
. the public account of India under article 284 of the Constitution due to non-reco-very. The amount; s being shown as a liability and being used without any interest. (3) Why the big drug house should take advantage of income-tax and remittance of dividend to foreign shareholders.

Madam, I can quote several examples but due to constraint of time I submit t$_0$ the hon. Minister to please look into

[Shri Rajni Ranjan, Sahu]

the two factors which are very important. (1) The interest of the consumer has to be looked into by. not expanding the basket of decontrol and - (2) why the Drug Equalisation Fund Accounf is not being operated again, and the provision made in f para 5. 4 is reconsidered and abolished.

- With these words, I thank you very much *Am* giving me an opportunity to speak on this very important matter.

THE DEPUTY CHAIRMAN; - Yes, Mr. Minister, *

SOME HON. MEMBERS; Our names arc there.

THE DEPUTY CHAIRMAN: According to the Rules of Procedure the Minister will reply and then the hon. Members would put questions. While putting questions they can speak for some time ' and again the Master will reply.

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINIS TRY OF INDUSTRY (SHRl R. K. JAICHANDRA SINGH): Madam, I would not like to be as confused as, -the hon. speaker attempted to make out, I do not for one understand the stand the hon. Member has taken by saying that the . Government should not have come out with a policy immediately after the last , session of Parliament. If we had come' out during the session of the Parliament Or after the session $_0$f the Parliament, it is absolutely immaterial because there are so many instances in which we can dis cuss this policy bith in this House and, also, in the other, house and in fact, Madam, this subject has been discussed on many occasions not only jn the two Houses but also inMhe Consultative Com mittee. in fact a very exhaustive study on this was done in the last Consultative com mittee meeting and many of the points which the hon.. Member' has Baised have I been discussed, including the other spea ks Who are ready to put forth some questfanf ivhich I am sure... '. '

SHRI. VISHVJIT PRITHVIJIT SINGH (MAHARASHTRA): I am sorry, Madam

THE DEPUTY CHARMAN: Ever otherwise you are going to put questions So why interrupt now

SHRI VISHVJIT PRJTHVIJIT SINGH No, no, Madam, this is, very important it is very very important. Any reference to th$_e$ Consultative" Committee proceedings either by Government or by the Members is banned in this House. There is no reference made to it. It is very wrong. This is a convention which categorically states j that we will not refer to the Consultative Committee proceedings

SHRI R K. JAICHANDRA SINGH: I am fully aware $_{of}$ that. I id not refet to the questions which were raised. \ said that the new measures in Drug Policy the new measures which the Government has $_C$ome Out with have been discussed many a time in" this House, jn the other House and also m the Consultative com-mittee. This reference if I cannot men, Hon that it has been discussed in the Con. sultative committee, I am afraid you are I trying to gag my mouth

As i said, I would not like to be as confused the hou. speaker, because the mam idea behind what the hon Speaker has trzed to imply that the new measu. res which were announced sometime in December 1986 were done little hastily So probably from what I heard, if i heard correctly the main point is that the list of category land category H drugs has not come out as yet. This I believe, -, he inam contention. It is true, Madam that we have still not been We come out withh the lists, it was. question at 'hat particular moment as to whether we should wait-and delay the announcement ot the pohcy by first framing the $_c$ate-8or. es. and ii lists. Two Alternatives were available to the Government at that Particular e when this. was came. The second alternative was to announce these new measures and then appoint certain committees to go into these aspects.

The first list consists of drugs which will be used in. the National Health Programme. It is evry clear and I have said it in many answers to the questions raised' in this House and also in various other fora that we will go by the parameters given by the Health Ministry. What has. to be included in the National Health Programme. will be included in category I drugs, and the drugs under the National Health Programme are also going to be suggested by the Health Ministry. Therefore it is very -dear that we, would be leaving this to the Health Ministry.

Category II list is a list of essential drugs. *ID.* this, if I may venture a little bit, what is essential to one individual may not necessarily be(to the other individual,
It is very clear if someone is suffering from arthritis, to him a medicine for arth ritis is. the*most essential medicine than it is to someone who is suffering from can cer or gastro-entritis. Therefore, what is essential to someone—I am just venturing to say that this is a question whereMtjere are a lot of grey areas. *(Interruptions)* Madam, *t* would not like to be disturbed.

THE DEPUTY CHAIRMAN: Probably the hon. Member wanted to refer to the life-savining drugs.

SHRT k. K. JAICHANDRA SINGH V I will come to that. That is why I am saying, the fact remains, and we must admit that, what may be essential to one
may not be essential -to' another. Now I am not for "a moment suggesting that what is essential to one indiyidual should not be included in the list. No.

SHRI •RAJNI RANJAN SAHU: Madam, he is equating what is essential" and what is non-essential with what is good and what is bad. Good for one man may be bad for the other, but essential and non-essential is different.

SHRI VlSHVirr PRITHVIJrr SINGH: There are international criteria for that.

SHRI R. K. JAICHANDRA' SINGH: Madam, if lam being disturbed'like this, I do not think....

THE DEPUTY CHAIRMAN: No interruptions, please..

SHRI R. K, JAICHANDRA SINGH: First they should listen to me. What I am trying to say is, the only point I am trying *to* bring out is, what is essential *to* someone may not be essential to another. B. uq, not necessarily, Madam, what is essential to someone may not be included in the" list which is to be brought out. ' That I am not saying at all. It. may be included. As some of the hon. Members aire saying, yes, what is essential may always be essential., This essentiality will be
looked into by a committee- be"aded by the BICP Chairman, and I can assure the House, and I have assured this in different forums, that it should be coming out by the end of May; this list of essential • drugs which will be in category II will be
coming out by the month of May which. is barely a monfh-and-a-half from now. They are looking into this essentiality in the committee. There are many members, groups, representing doctors and other people whom they will be consulting, and I am sure, they will be'looking into this. What I am just trying to say is, there is definitely a grey area. Madam, you would admit that a particular drug which is essential to me may'not be essential to you.

(Interruptions):

THE DEPUTY CHAIRMAN: No interruptiong please. Let him continue. You may differ on some points. *(Interruptions)* You will have your own chance to put your questions. Why are you unnecessarily disturbing him?

SHRI R. K. JAICHANDRA SINGH: Madam, I will clarify once again. What I am saying is, no *two* persons or no three persons may agree on a list of essential items. That is why we have form-, ed the committee. They will come out with that essential list. I am not suggesting anyhing. We have not given any direction on this as to how many drugs should be included. This Committee is in-' dependent. It is not headed by someone who is in my Department. It is beaded by someone who is in the Industrial Development Department. Therefore, they will be' looking into this. I think the agitation in the minds of many hon. Members would be answered. They are an independent "body, and they will be submitting this list

' [Shri R. K. Jaichandra Singh]

They are having various sittjngs in dif-, ferent parts of the country. I am told, they have had sittings in Bombay and other parts of the country, and probably are having sittings wherever possible. Therefore, they would be coming out with this list.

. Then, the hon. Member has mentioned a number of press write-ups. Of course, I have not come prepared "on how many press-write-ups were against this. *But I have a statement before me prepared by the Department that more or less, except from. one or two angles, may be from consumers' angles. —I will try to answer this particular point—these new measures "have been welcome., A_S I said, no new meisures or series of measures will be-able to satisfy every cross section of the society. Every cross section would mean the different consumer groilps, the different industries. The industry itself is divided. There are small scale units. There are national, wholly Indian industries. Then there are the multinational companies. *(Interruptions)* Except reading some of the press write-ups, the hon. Member has notmentioned any specific points from the newspapers.

Another point which has been mentioned is about the consumers. Madam the consumers' interest has not been neglected. Li fact, why is the industry here for? It is for them to produce these drugs for the consumer. Yes, the consumers are at different levels. There are poor sections of the society, there are people who can afford it. That is why, we have gone in for categorisation by listing these I and II categories which are'more essential in nature. This is where Goevrnment will be having a price control. Earlier we had the price control on more than 300 bulk drugs, on more than 4; 000 formulations on more than 20, 000 formulation packs. Because of the big span of control, I have admitted on the floor of this House and also the other House and I still admit, ths Government was paralysed because we could not fix the prices of all these that I have mentioned in proper time. $_x$ So, the 1978 policy was also based on the Hathi Comnfiisio't. And if I may interject the hon. Member also mentioned that' these measures are a policy. In fact, if I may clarify, this is not a policy as such. These are certain measures—measures on quality control, measures on rationalisation of drugs. These are different measures which will to the extent possible replace as far as these provisions are concerned from the earlier 1978 policy and those provisions which have not been touched in the earlier 1978 policy will. continue to re-main. So, as I said, it is not that the consumer's interest has been neglected, because the availability of the drugs is the mo-t important thing.

The hcia. Member has mentioned that the production in the Categories 1, 2, 3 of the present DPGO, especially category 1 and 2 of the existing DPCO has gone down over the years. One of the reasons for this is low mark-up. The industry is not investing enough money in the areas where production is essential. Therefore, by increasing the mark-up we thought that the industry would come in and produce more in these essential drug areas. That is why we have given a slightly bigger mark-up. other point which wa$ suggested by the. hon. Member is discouragement of non-essential medicine*. We have a demo* cratic jet-up. It is not like Bangladesh where they can pen. down and say these drugs are not essential. Today though this, is a subject matter which is being dealt with by the Health Ministry, if I 'may venure to call it as non-essential medicine and if we do not allow a particular company to produce this, there will be litigations galore. I am just quoting this as an . example. The company will go to the court and say m what basis do you say this is non-essential? Therefore, this is again the same thing. Oni essentiality and non-essentiality there are a lot of grey areas and differences of opinion between various sections of the people. Therefore, it will be very difficult for the Government to come out with a policy and say these are drugs which should not be prcn duced because they are non-essential. Take for example Vicks. I understand it from my personal experience. In fact, about two or three months back when I was suffering from cold, I asked the doctor

whether Vicks is an essential drug for clearing cold. We see about jt in the television and read in various magazines. The doctor told me that it is absolutely non-essential for any one to use Vioks.. Therefore, it is for the consumer not to; use certain drugs. It is very difficult for the Government to come outs and. say well you don't sell, 'drugs or you don't produce Vicks. We have rule . of Jaw and a democratic society. Therefore, the Government ma£ think of taking steps to discourage, may be in the media or may be bring out bujjetins, and say well these are drugs which should not be used; That means the interest of the consumer will be taken care of more by bringing in bulletins and magazines of this nature, rather than for tfne Government to clamp 'down on something and say, "well you don't produce it. "

. Then the hon. Member, in fact,, in his read-out speech did mention that the mark-up is not very bright. On the one hand he is saying that the consumer. is hot being protected because the price is costly. This is what was made out to be. In the same Jareath a little later he said mark-up is not very, bright. That means the _ mark, up is* still not sufficient. "Therefore,; we liave raised- it to the present sta-i tus75 for category 1 4nd 100 for category 2. Then, about decontrolled items, one innovation and very useful^ measure has been included, that is, monitoring mechanism. *Jn* the 1978 policy, we did not have, those measures but we had category I, II and III which were' controlled and the rest of the drugs were decontrolled. Now, we have category I and category T£ but in the decontrolled'items in the new measures, we have a new mechanism of monitoring the drugs. Therefore, it is al ready mentioned in the document that the Government has a right to bring back any drug from the, decontrolled category to the controlled category if it is deemed necessary-' Therefore,, this new mechanism has been introduced; The. Government expects the'industries to behave according to-this policy and if they don't behave then we hav, e[e] this now mechanism.

The horn, member briefly jmentibned about incentives of bulk drugs. In fact, in

337 RS—*9.*

i the 1978 policy^ only one option for prie-j ing was given. In the new measure, we have given three alternatives. I do not think it is necessary for me to go into the details since it is already there in the booklet which has been placed in the Parliament library and has been supplied to the many of the hon. Members. Theee three alternatives are given. We are confident that if more- incentives are gives there will be more bulk production. This is practical, f- hope I have replied to all the points of the Member.

SHRI RAINI RANJAN SAHU;. Ma-dam, he has not replied about the drug equalisation fund account.

THE DEPUTY CHAIRMAN: He will tell about it in the next reply. Now, Mr. Chitta Basu.

SHRI CHITTA BASU (West Bengal): Madam, I know the rules, and that I can not make a long speech as the hon. Min ister has made and the other Member has made...

JHE DEPUTY CHAIRMAN: Eech Member should not make more thas five, minutes.

SHRi viSHVirr pRrravurr SINGH: Madam, five minutes is too little. W. e cannot make all the points in five minutes. YOu should allow us- more time to speak. There was an instance where half-an-hour discussion has been discussed for more than 2-1/2 hours.

THE DEPUTY CHAIRMAN: ' You see this is half-an-hour discussion and we have alre'ady. taken more than half-aa-. - hour.... *(Interruptions),*

SHRI CHITTA BASU: Madam,. at the outset I wafft to make it clear that this kind of discussion which relates to the policy should not be limited *4a* a discussion of this nature, that is, half-an-hour discussion. As a matter of fact, Madam, I demand that there should be a full-fiedged discussion in the House on this drug policy—whether you call it a new drug policy or drug policy itself. How*

[Shri Chitta Basuf ever, it has been Jisted in the business, I am taking part. But I still demand a full- ' fledged discussion on this drug policy.

SOME HON. MEMBERS: We all support it.

SHRI CHITTA BASU: As ydU know, Madam, there is a history of the evokw tion of the drug policy in our country and' it is not thi time for me to discuss about it. The important landmark has been the recommendations of the Hathi Committee. J am very much glad to know that from his speech when he said that it is not a policy, it is- sitnply a package of measures. Am I right, Mr. MinLter..

* SHRI R. K< JAICHANDRA SINGH: Yes.

SHRI CHITTA BASU: He now claims that it is not a policy. It is a package of measures. Whatever it might be, whether iHs a policy or whether it is a package of measures as he claims it to be and not I, my understanding of the- problem is this policy or this package of measures goes against the fundamental recommenT dations of the Hathi Committee. Madam, the. Hathi Committee's major recommendation included the nationalisation of -(multi-national drug firms, -restriction on import of bulk drugs and the intermediaries and technologies by the multinational corporations, initiative for indigenous production and leading role of the public sector, freh impetus for indigenous R&D, These were the major recommendations of the Hathi Committee. Now, people compare this new policy or the package of measures. I am constrained to say, with the previous policy. It is a reversal'of the policy which the Parliament accepted. It was a Parliamentary Committee. The Hathi Committee was the Committee of the Parliament and this Committee, made recommendations and some of the recommendations ^ were accepted by the Government and this Minister comes out with the policy -statement which negates, no| only negates, it reverses the policy stands of the Hathi Committee. Would the hon. Minister explain to this House what made him to reverse th«' policy of the Hathi Cotftmit-tee? From this policy document, it is also clear that the 1987 policy was based to some extent on the recommendations of the Hathi Committee and this 1986 Drug Policy hafc been formulated on the basis of the recommendations of the industrial representatives particularly, the multinational corporations. Therefore, it is thoroughly influenced by the multi-national corporations. The new Drug policy, < as he claims, in fact, has been formulated to fulfil the demands of the drug industry, particularly again I say the multi-nationals for liberal licensing, liberal imports and liberal pricing. *(Tirrie bell rings)* In two stages, in March, - the door to multi-nationals to enter into such areas of manufacturing which were xe-. served for Indian sector was opened. I think, it is quit© clear. Certain sectors were reserved for the Indian sector of industries. • It was prohibited for the multi-nationals. Now, this Policy opens the doors of this sector for the multinationals. Therefore, it is regressive. In - this new Drug Policy, if they invent any new drug, it will be de-licensed category. It is again harsh for the indigenous industry. The total impact of this liberalisation policy will affect the Indian sector very harshly particularly, the small and medium sized Indian sector will be forced to close down. The liberal imports of technology will affect the indigenous R&T in our country. Lastly, Sir, as I have said, I have got limitation. Within this brief period of time it is not possible to discuss the policy. Therefore, I say. this, new policy is a reversal of the earlier policy and therefore, what I would demand from the Government is that this policy is to. be withdrawn forthwith. If these are not policy-measures, these measures are not to be given effect to. On the other hand, on the basis of recommendations of the Hathi Committee or within the framework of 1978 Drug Policy, a new Drug Policy is to be formulated and in the course of. formulation, the Government should consult all sections, consult industry as consumer, as industrialist, doctors and scientists and technologists. My question is whether the Government is prepared to withdraw this 1986 package of measures Or policy and recast a new drug policy on the basis of the Hathi Committee recommendations, within the parameters of the

1978 Drug Policy, in consultation with the industry; with economists, technologists, scientists; trade unions and other organisations interested and concerned in this matter.

SHRI G. SWAMINATHAN (Tamil Nadu)- Madam. Deputy Chairman, I would like to say a few words on /the Drug Policy. There ha$_s$ been a heated discussion on the Drug Policy and there have been complaints that the honourable Minister has been vacillating and that the Drug Policy he has- announced recently is not up to the mark. Our honourable friend, Chitta Basu, also recom[1]-mended Hathi Committee suggestion?. I had gone through the Hathi Committee report. That report was given several years ago, in 1975. As has"been rightly said by the honourable Minister, Hathi Committee report is not a policy statement. Hathi Committee -was appointed by the Government of India to go into the drug industry; not only drug industry but also pharmaceuticals, management. of the industry including the Drug Controller's administration, the nature of the pharmacies, in shorts the whole gamut of it, everything of the industry. The Committee Went into every aspect of it and made so many recommendations, and those recommendations were found to be very valid. Many of the recommendations have been implemented by the Government of India and also by the State Governments. But in regard to some of the recommendations, the Government encountered some difficulties . in implementation. ' The authorities concerned could not implement some of' the recommendations. Oh the face of it some of the recommendations looked very attractive, very easy on paper, very easy for discussion. But the actual implementation of them posed problems. Therefore, recommendations which were made in 1975 cannot be taken as something that had to be implemented hundred per cent. When we find there are practical difficulties in implementing them, we have to find ways and means of overcoming, them, of removing those difficulties. And as already pointed out, Hathi Committee recommendations were not a policy statement, One of the recommendations wag that multinationals should be eliminated from the Drug Scene. In India there are multinationals not only ia drug industry but in every industry. Here are multinationals not only in our country; even China is allowing, and inviting multinationals; even Russia, I found the other day, were asking multinationals to come in; the Communist Government in Vietnam is asking for multinationals to start industries in that country. Now, whether or not to lQave a multinational has to be decided by the Government on a policy level. There is no reason why ' multinationals may be allowed in other industries and not in drug industry. I do not. understand the logic or it. Between Hathi Committee report and now the - equity of multinationals has been reduced and most of them have come within 40 per cent. Many Indian capitalists have, come into multinationals, Majority of the multinationals are Indian multinationals. Some of the multinationals are being managed by Indian personnel. Therefore, the fight in the drug industry is not against multinationals. There are nearly 20, 000 small scale industries iBthe drug field. There are thousands' of middle level drug manufacturers "in the drug field. There are also large-scale manufacturers like Sarabhais, The fight is between multinationals and the large-scale Industries. I would only like to. point out that the' interests of the multinationals, 'the large-scale industry, the me-< dium and small-scale industry, in India are entirely varying. The large-scale Indian industrialists who want to make profits themselves are trying to project themselves as if they are me industry** spokesman. In fact, there are two'MndSr of forum, one trying to keep all the opportunity to itself and at the same time crushing small and medium scale units. Some people are also having the same marketing as multi-nationals. They are to no way better or. worst than die others.

I would like to say that much has been said- about the consumers and the drug ' policy. I understand that the drug policy the time of the Chinese aegresston, form the time of the Chines aggression. From that time onwards, I think Nearly for file

[Shri G. Swaminathan],

past two decades or more that drug policy andst the drug price control order have been there. " The original categorisation as I, H, HI and IV was irrational,

I would say, and the honourable Minis ter has done the-right thing by making it two-fold only. Why do Isay it? On-gmally, it was stated that ^Category I related to most essential drugs, Category II to essemial drugs, Category III to common drugs, and Category IV related to any. drug. The Government wanted to give a small profit on those, drugs which are considered to be essential drugs. A_g somebody said, the essential drugs nave been recommended by the WHO list or whatever list it may be. You gee how it works. The manufac-turets who have been manufacturing the essential drugs are getting the least profit. " So, most of the manufacturers who were manufacturing Category I and Category II drugs went to Category III drugs and many of the, friends whom I know in the drug industry went to Category IV drugs because they wanted, to manufacture items which had no relevance to the peo ple at all. Suppose you manufacture some drug which is not essential. Then you will get the maximum profit out of it. Ultimately, it worked in a lopsided way and the people started *JLo* manufac ture drugs were not essential and they moved from essential to non-essen-Ual. Ultimately, what the Government thought and what the manufacturers did and what the consumers benefited were quite different. The consumers were not benefited and the essential drugs went out of the market and the people started malting a lot of money by making drugs' which are not essential or non-essential drugs as you may call it. Ultimately, the Government had to resolve this conflict and it came out with two Categories and. it was decided to go into these. at one time. It became'very difficult at one time to apply for and get the licence or Hie price-because -the methanism did not work and the, price control people were not able t? give th& price. Even though, as somebody said, there was the rule, it was not implemented all these days. Ultimately, what happened was that the multinational companies had their ownliasion people here. and they wete able to contact Shastri Bhavan and ihus the larger people were able to get the pricing and the smaller people suffered. I would very strongly recommend one thing. You have, to see that the recommendations of the Government. are implemented, The price policy that the Government to brought jin is to, be appreciated and the Government ias to be. congratulated. Then, there is the Drug Equalisation Fund to which my friend referred,. It is only seven to nine per cent Of the profits which is being given to the 'manufacturers. Ultimately, what happened is that many companies including Indian companies were losing and are losing because there has -been no control on the raw materials and packaging materials. There has been control on the finished materials, but there has been no control on the inputs. The prices of raw materials have been going uf> and the price of everything has been going up. Somebody suggested that we should have only Indian companies, completely Indian-owned companies, for manufacturing these drugs. But I would like to ask what happened to. IDPL. They have made more losses, and they have lost their capital. Some Indian company manufacturing these . '- drugs recently made two hundred crows' worth of sales and they made a loss of Rs. 4 crores; Many of these companies have gone under. Even Burroughs-WelU come have gone under. Most of these companies are going under because of the irrational price control policy. Unless

you give profits to the industries,, they cannot exist and unless they exist, the common man will not get his medicines. So, you have to rationalise these things, rationalise between the consumer the industry and the doctor. All these people have to meet and discuss a common platform. The drug policy is not something on which you can sudfienlydecide and bring about changes. There are conflicting views and interests. If the. honourable Minister is not able to do it. it is well within his bounds to say that he is not able to do it because there are so many interests operating and making relevant points. I have been seeing various committees over a period of years

and I know that they have not been able to decide even what is an essential drug. They have npt been able to decide, the experts are not able to decide. So, when the people are not able to decide, when the experts are not able to decide, there is no point in complaining to the Minister as if the Minister is not able to resolve. The Minister will not be able to do anything because of the conflicting views and interests. I would only link to ask the honourable Minister whether he will pursue the right policies that he -has been following all through. Thank you, Sir.

THE DEPUTY CHAIRMAN: Now, Mr. Jagesh Desai.

SHRI JAGESH DESAI (Maharashtra): Madam, at the outset, ! would like to make it very clear that I. am not for the multinational, MRTP or big pharmaceutical" industries. I want to raise *my* voice for the medium companies and our public sector companies. I completely agree with the aim's and objects of this-7. 00 P. M., policy. But I would like to know whether the policy is in accordance- with the aims and objects. For $at purpose I would like to ask some questions.

Regarding de-ficensing, the Government has decided that the scheme of de-licensing would be available to non-FERA and non-MRTP companies only. I fully agree to it. But*it appears that you are not encouraging the public sector. Previously, *17* drugs were reserved for being manufactured in the public sector industries. Now, two drugs have been removed from[1] that list. One is penicillin[1] and the other is polio vaccine. I would like to know from the hon. Minister whether there Were any discussions with the IDPL before de-reservation of these two drugs* especially penicillin as to whether they hav$_e$ goj the capacity and whether they can meet the requirements of the country in future. With modernisation and with the technology of European countries, I feel that they will be able to meet the requirements of penicillin even by the year 2000 A. D. I would like toknow from! the hon. Minister whether any discussion had taken place and whether they had j found put that the Indian. Drugs and Pharmaceutical Company will not be able- to manufacture the penicillin to, the extent required. If they have not done -

' that, I think they have failed. So, instead of helping the public sector companies, they are encouraging the private secto. r companies. Although it is de-reserfed, licences will be required. Therefore, some companies have already ap. plied for licences. If the licences are given, Whatevef infra-structure has been created by the public sector with the money of the people will be wasted. This company which is at present making losses will make further losses. I will request the hon. Minister to review the de-reservation of penicillin. After tak-ingr stock of the situation and after discussing it with the company (if you are satisfied that they have got the capacity and that. after ^modernisation they Will be able *to* manufacture penicillih, then he should again reserve it for the public sector. I think some more items should be added to it, ^Instead of adding some items* you have reduced them. - I will request the hon. Minister to. take this matter with the public sector units and if they can assure (hat they wi!J. be able to produce these drugs, he, should reserve them for the public sector.

Secondly* over tie last decate, penicillin has become an essential drug. In order to increase production and curtai] prices of , this life-saving broad-speetrum antibiotics and so on; it is proposed that all nen-FERA pharmaceutical companies in the. country be allowed to produce penicillin. FERA. companies wiu\ not be allowed but MRTP and, multi-national companies would be allowed. I would like to know from the hon. Minister what type of policy, is this. You don't allow FERA companies, but at the same time you are allowing multi-national and MRTP companies to manufacture penicillin. For the purpose of licence^ you don't allow FERA and you are allowing MRTP and multinational companies to manufacture penicillin.

I would like to know what is the logic behind this. And if the Minister is convinced that there is some error in this, I

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am sure the Minister will look into it. And as you have done in the case, of non-FEKA <»rapanies similarly the multinational and MRTP companies also should hot be alllowed to manufacture penicillin. It should be first of all reserved only for the public sector. And if you are not satisfied that they will be able to produce, then give it to small-scale industries or other industries which are not MRTP companies or multinationals. - Secondly, - regarding value of production of bulk drugs. and formulations; you want to revise if. And what *is* your revision? For FERA companies, the ratio of parameters would now be *1: 4* in place- of 1: 5 in respect of value of production Of bulk drugs and formulations. Here also, you are not-going to touch the multinationals^ and the MRTP companies. You are only touching the FERA companies, and those companies are not taken for this parameter. I would like that this should also be added so that tlhese big companies, the multinationals and the MRTP companies and the FERA companies are kept On the same footing, and the other small companies can get the benefit. And you have talked about value of production. " If the price goes up, the end-product's price will go up and your aim will not be fulfilled because the quantify which you would like them to give, they will not give you back. So, I would like to know that instead of value of production whether it could be quantity of drugs and formulations.

Madam, there are so many other points. But I woul'd like to deal with one basic • question. This whole policy should be again reviewed. And we have to see that the public sector is encouraged and not discouraged. Secondly, FERA companies and the MRTP companies and the jmu'ltinationals should be kept on the same footing, and the benefit should be given- to the small industry. • And I would like the hon. ' Minister to give answers to these question^ so that my doubts which are here that probably the multinationals and the MRTP companies will be. benefited by this drug policy at the cost of the public sector ana tine small and medium pharmaceutical companies may be' removed. And I would like the Minister to throw light o"n the issues that I have^raised.

DR. G. VDAYA MOHAN REDDY (Andhra- Pradesh)} Madam Deputy Chairman, I want to state that after armaments, it is the drug industry which is making profits all over the world.

., SHRI VISHVJIT PRITHVIJIT SINGH

Mafia. DR. G. VDAYA MOHAN REDDY: Because of *%&t,* we are not able to get out of the grip of the multinations in the drug industry. And I want to say this connection that Dr. Allendi, the President of Chile, who wanted -to scale down the pharmacopoeia so that essential drugs would.. serve the basic purpose of saving life rather than profit-making, was overthrown". There was a conspiracy. He was toppled down. He was assassinated. And all those doctors who had associated themselves in putting these rational ideas were not take the lectures on drugs so easily/; We cannot be taken in. I tell you the IDPL was producing and is producing 75 per cent of the bulk drugs. From the IDPL, . thg multinationals- and the other companies take the bulk drug* and fill it in vials and capsules in various combinations and sell at exorbitant prices, And IDPL is made to go into losses which are now running to Rs. 177 crOres. And there is a (talk that because of unprofitability, the IDPL may be closed down. What about the Hindustan Anfibioics^? It is the same story. That is why there isjiot-$)ing wrong in our friends being suspicious that the Government is not pfotect-ling the publio sector and at the same time allowing a free run to all types of private industries in collaboration with multinationals to make a quick buck by using*"all the media and advertisements. Useless drug combinations, brand names, irrationality i_s prevailing. and running large and the doctors are also cooperating because^ they get quite an amount of commission in this, that is why I want to state what has the Hathi Committee recommendations done? Why don't you think of implementing those things,. nationalisation of multi-nationals, of generic names, no brand names and comibinations and irrational combinations and then hav-' ing research. You have forgotten about it in the drug industry.. You do not want to overtake o*her countries. We have got the techaical^now-iow. We are irPa po-

titioa to dominate as far as the Drug inSiustry goes in the entire South-East Asia and in the Asia continent itself. Now, our drug industry is in doldrums, public sector is in doldrums. Why is it so? If it is not a clear reversal of policy'of the Government of India, what is it?" It is a sad situation which should not have come about. o> The poor man should get the drugs he wants. You are not able to do it. Fifty per cent of the people are under the poverty line. And you are now discussing what is essential and what is not essential, *(interruptions)* The WHO has come out as early as 1978 with a list of more than 200 drugs. which should • always be available. Today we are not fcmhg drugs for our anti-leprosy programme because the manufacturers do not cooperate, with you because that cannot jgive them profit. So also you are not having drugs for anti-T. B. programme or other programmes which are suffering as a result. There is dislocation and there is: spread of disease. All these tilings you do not take into consideration at all. That is why I once more emphasise that th'e eiltire outlook'on the drug policy has to change and in view of the recent Congress Working Committee's Resolution, multi-nationals and their conspiracies you must take an early standi and come out ' with a drug policy in keeping with the demands of the vast numbers of the Indian people, who require very cheap drugs in adequate quantities and in all the nook and" corner of our country so that our (health and medical programmes succeed.

SHRI VISHVJ1T PRITjrvniT SINGH; Madam Deputy Chairman, I would first of all like to say tha) I am going to make a very short speech because/ I believe the hon. Minister has got to {go to a Cabinet meeting and he is required there very urgently. So, I am going to make it very short.

Firstly, when, the hon. Minister says that it is not a policy, he says these are just measures for rationalisation etc. etc. Now my point is that this is totally contrary to the -earlier, policy which was announced on the basis of the Hathi Committee Report, tiie new Drug Policy of 1978. If this is contrary to that policy, then what is this? Does the Government of India have a policy,, I would like to know. from the Hon. Minister? Does the Department(hav6 a policy? Now, if he thinks that. this is totally contradictory to this oneand this one is not a policy, then whereis the policy, I would like to know. AreIwe just "going to have measure, ad hocmeasures or is there going *to* be a policy?*(. Interruptions).* I would like *to ipSWe*the Hon. Minister that we have absolutelyno problem with the BICP. We have fullfaith in the functioning of the BICP forthe identification of drugs. And this issomething which we tought not to dwcutshere. Let the BICP first come out with. its suggestions.

Now, when, the Hon. Minister referred-to non-essential drugs and said we cannot ban non-essentials, my point is not just about non-essentials but also about harmful drugs, irrational combinations which are harmful. As the hon. Member has just now said, the UNO, 'the WHO, international organisations of which India is
a member, to which we contribute, which we consider to be of consequence arid importance, they have categorically made out a list of 200 drugs and said these are the ones which are required, why can't you do something about" it?. The hon. Minister has said that there will be litigation, I -am aware of it. I have not (forgotten the judgment of the Supreme Court which has just come, which has castigated the hon. Minister's department for not taking up the cases in the court, the cases of drug companies, multinational drug companies which have charged a fantastic amount of price of Rs- 25, 000 against the selling price of Rs. 1700/-. The Government has been lax in this matter and the hon; Staprenie Court-*nas pointed this out.. And the Minister is ta&ntg of litigation. Let us not be frightened* by litigation. We can litigate; the courts are with Ug'. but only if we pursue the cases. ' And if we do not. pursue the cases, how is this going to happen?

Thg hon. Minister made a derogatory reference to our friendly neighbouring country Bangladesh. In Bangladesh, Dr. Zafrullah Chowdhury, the proginitor of the new drug policy of Bangladesh has <been hailed as messiah all over the world.

[Shri Vishvj>t\Prithvijit Singh]

Just like the ecological movement which iwas spearheaded by various Thira World leaders including Mrs, Gandhi who was at the'hWl of it, has now come up all over the world, and, our hon. Prime Min-. ister has also taken this entire ecological programme as one of the platforms of the 20-point programme, in, the same, way Bangladesh's-drug policy, some day or, the other,, is going to be a great thing. in (the world. Let me tell you, in the West, there is a movement' towards the Bangladesh type of drug policy. One hon. Member referred to President'Salvador Allende of Chile. This is a fact. > And let me tell you that this policy which they have brought in Bangladesh, categories the drugs, and they have accepted the. UN re-commendations. They had the courage to do so. We. should also have the courage to 'do the same thing rather than *alk about it.

Now, I would like to ask certain questions because I do not have much time. I want to ask about delicensing. I had mentioned in this ^House. I have ajso mentioned ft otherwise and I have written letters where I have said that the Previous criterion for delicensing was never made clear. In the present policy, or rather document-I do not -even call it a policy — in para 6. 5, there are four criteria given for delicensing. I tto not want to enumerate theni because of shortage of time. I would like to ask the hon. Minister categorically one thing. About the previous drugs which were already delic-ensed for which, as has been said, there was no rationale, and many of them we did not even know as to why they were delicensed, I would like to know from: the Minister whether that list of delicensed drugs is going to b# reviewed, and after ' that Review, according to *litis* criterion which has now been laid downi will those drugs which do not come within this cri-ierion$_a$ be removed from that delicensed list. That is my first question.

My second question is about- broadban-Hing. Para 6. 8 of. the measures talks about it. » Now here, the main problem is that due to this new scheme,, about'47 new drugs Mve been Added to "the list by virtue orbroadbanding — list of delicensed drugs. I would like to know from the hon. Minister whether these 47 new drugs which will, by virtue of your scheme of* broadbanUing, will be added to the scheme of delicensing, will ^ilso be reviewed by the same criterion which you have laid down in para 6. 5. - This is my specific. question. I would like to know from the • Minister whether this is going to come and these drugs are going to 'be reviewed.

Furthermore, about- the ratio parameters. In para 6. 10 of the jneasures, the. "Government has. stated that the. companies, . in the organised sector are required to submit a production. programme, including production of new drugs, so that they reach new ratio of parameters within 'a period of three years. Nowrthe Govern-. ment does not have any real teeth as far as legislation is concerned, to impose this. How are they going to impose it? I want !to know whether the hon.. Minister is preparing some kind of legislation or re-commend for some kind, of legislation to actually acquire some teeth to be able to attack this problem, Furthermore, I have another problem in regard «> the ratio of parameters as announced in para 6. 10. The Government has announced that up to the value of production of Rs. 10 cro-res, the ratio of parameters will be 1: 10. From Rs. 10 to Rs. 25 crores, it will be , 1: 7. In excess of Rs. 25 crores, it will be 1: 5. Maldam, you will note that more the production, lower the ratio of parameters and lower profitability of the com-pany. Which company is going *to* come in. There is going to be the sanV problem as nas been referred to by hon. Members. There will be all kinds of satellite comi»anies T)eing put lip which will then carry on making at 1: 10 or 1: 7. I iwould like to know from the hon. Minister how mis, problem is going to be tackled.

Then, as faro as'the markups are/concerned, I have. a problem there also. As I said earlier, there is one category which you have created which is going to be free of all price control, Why dp I say this? Because- you have now got rid of the overall profitability control. In theearlier policy,; tbere used to be overall probability control of the company. Now, you have removed this clause Overall

profitability control'. _ You have created a category which is free of all price control. -The hon. Minister was referring to Vicks. Vicks is another one which is free of all price control. They have even declared it to be an Ayurvedic medicine. Vicks is made by a multi-national company and it is today categorised "as an Ayurvedic medicine under the" auspices of the hon. Minister. Let me tell you they are free of all price control. I am sure, the hon. Ministe$_r$ must be having some idea of reviewing it. You are not going to allow peopled You are going to bring people: under price control as arid when required.

In para 5. 2 you say this. You say that, there would be a stipulation to the effect that Government will have the right to ' bring wilhin the ambit of control any drug in the decontrolled category at airy point . of time should it be considered" necessary to do so. I would like to know from the how: ' Minister, what is going to be the criterion; What are you going to allow? Some companies will charge 400 per cent, some companies will charge 500-per cent, some will charge 1000 per. cent and some even 15, 00 per cent and so on. ' If would like *to* know from the hon. Minister, at which point will his department swing- into action. What is the cutoff markup which, you are going to allow rfo$_r$ any drug? I would like to know, what is going to "be the cut-off point.

Now, Madam Deputy Chairman. I would like to once again come back to the question of phased manufacturing programme. Again,: I have a problem, in this. I have Iheard that a Committee has been set lip under'the Chairmanship of the Deputy 'Director-General, Technical Development, to determine the dates norms etc. I would like to know from'the hon. 'Minister-, " what is 'he progress in this. Has this Committee submitted its report? If not, when is the report going to be submitted? When the ! report. is submitted, will it be laid on the Table of the House, wilt we have an opportunity to discuss it?

Finally, I come to my most important point. I have been making this point time and again, This is about the role of international companies. The hon. Member from the other side said that these international* companies, a large number of

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these multi-national companies, have a majority Indian shareholding. He said that they are managed by Indians. My point Is, though these international companies . have Indian shareholding, they are still controlled by their principals abroad. The Hathi Committee and the new drug policy document had taken this into account and they -have said that if {he shareholding iv to come down to 40 pe$_r$ cent, it should not be in the form of dilution, but it ; should be in the farm of disinvestment. $_T$. This is the point which I have been repeatedly making in this House on a number of occasions. If a company has, say 400 shares, —which are held by a multi-national company—if that company wants to ' sell 60 per cent of its shares, it should sell 240 shares' in the Indian market, into one hand. The new drug policy document Bias said that, it should be bought either * by the Government or by an individual of by an institution so that the actual control changes hand. -Unfortunately, these companie^ have been allowed to dilute. This meant that they wer$_e$ allowed to float *60S"* more shares, sell them to small investors- in group of 10 shares each so that the Indians $_a$re majority shareholders, but ho Indian company i$_s$ capable of keeping the control of the Company. Still the control remains with the principals, they have same amount of shareholding and have mopped up the whole" lot of money from the Indian imarket through various and nefarious methods. Still they are not under. any kind of you control because you have *-categorise^ them as Indian companies.

This is my last point. I have said it On the floor of this House and T ' spy it, again and it is about the Bbopal gas disaster. When we fdught the ^{ca}«^{e} m the

'United States, the stand taken by the lUnion Carbide Corporation of America was that this is an Indian company and that is why they are not responsible, but the stand taken by us was that the majority shareholding, in that. company was 'hat of the Union Carbide Corporation °f America. We ha'd not allowed them to dilute and this stand was accepted by their Courtat^,

^afso. They had 50. 7Q. per cent shares. Had we allowed them to dilute to 40 per cent or even less ban 50 per cent, they could have said that they are not liable. So, we had, not ailowed hem dilute and

[Shrj Vishvjit Prithviji't Singh]

we managed to say that it was a foreign company.

So, Madam Deputy Chairman, through •your auspices I warn (he hon. Minister that like^Bbopal gas disaster, there can be any other incident, any other incident can happen in an industry where all kinds of esoteric processes are involved, wher$_e$ we are dealing with all kinds of 'dangerous chemicals. I would like to warn the hon. Minister that this kind of short-sighted policy will hot work. We have to be aware. We, a^s representatives of this country, have a responsibility to this natio$_n$ and w$_e$ ar$_e$ pointing this out to you very categorically on^l the forum of this House. You have to show some responsibility, you have to understand what the people of thi$_s$ country are wanting. We cannot allow this to happen. T5hank you.

SHRI R, K. IAICHANDRA SINGH: The question which was a'ddressed by Mr. Basu was about the negation or reversal of he Hathi Committee, that the new mea sures that we have come out with are a negation or a reversal of the Hathi Com mittee. This was the main point he has raised. -

Madam, as one of the hon. Members, Mr Swaminathan, has said, the Hathi Committee's report was a very comprehensive document. It included many provisions and it will: not be easy for any Government, leave alone the Government in 1978 and the Government now, *to* adopt th$_e$ entire measures which have been suggested by the Hathi Committee in one whose lot. At some point of time the provisions, of the recommendations of the Committee can be taken up. -That is one of the main reasons why the 1978 policy, though ij included many provisions of the Hathi Committee, cotrt'd not fbe implemented. And We have admitted on the floor of the. House that we had difficulties in implementing many of. the provisions of **"the 1978 policy. I will not go into the `, details, 'but what I am trying to point out is that these ne, w measures have not. deviated in any way from the recommendations of the Hathi Committee. True, the Hathi Committee said that there is a possibility of nationalisation of all the multinational companies and this should be looke'd into. Whether the "time is ripe, | whether the Government Can do it right now this matter which has to be taken up $_{at}$ a much higher level, but 1, agree that we are not going away from that. We are not saying that we may never nationalise. I say, the time for nationalising, for that part of the recom mendations of the Hathi Committee, this is not time to deliberate on this. So it is-not a negation of the Hathi Com mittee. Now one or two points I should .. likt to enumerate about what Hathi Com mittee said -about the public sector, which many of the members, particularly the hon. Member from Maharashtra, Mr.. Jagesh Desai, have also mentioned. I will refer to the public sector. Yes, it is true that we had reservation of 17 drugs in the- public sector prior to these new measures in December 1986.. The reasons why we tooH out penicillin and polio ^vaccine out of the reservation I have enumerated in a number of answers in thi$_s$ House and also in the other House— that in 1984-85, of the last year, there was an import of penicillin worth Rs. 24 crores. A lot of foreign exchange is. being spent on penicillin. Penicillin today, a$_s$ most of the hon. Members are aware, •i$_s$ not only a medicine but is used more as a raw material for producing semisynthetic penicillin which is a better technology, a newer technology. These -are new medicines which. are being used in the market, not only in this country but in different parts of the World. The total capacity of DDPL i$_s$ 400 MMU. True, now we have got a new Chairman and we are trying to work out to increase this new capacity for ID PL which is the major public sector company producing penicillin besides. HAL and has got a capacity of 400 MMU. The total- production, at best, of that company could be around 240 to 300 MMU. Madam, the entire country's demand.... *(Interruptions)* Twill answer that., The demand for the entire country is 2, 500 MMU and it will keep on increasing, as penicillin today is more of a raw material for producing the semi-synthetic peni^i ciliins which are the medicines which are in the market which are going to be used more and more in future. Therefore we felt that on the one hand- we had

and we felt that this outgo of foreign exchange was too heavy, and on the other hand due to increase in demand of penicillin we thought it would he better for us, to save this foreign exchange, to encourage indigenous production.

Now about fermenters which the hon. Member has mentioned. There is some misleading impression. There are a lot of fermenters available in IDPL which were to be used for production of other medicines. I have asked the Chairman, ' IDPL, my Department has asked the Chairman, IDPL, *to* utilise some of these fermenters to produce penicillin and he is working but on that. So I think, th# information. which the hon. Member has got is a little premature. Yes, after this exercise which was done, we went to the extent of asking the Chairman, IDPL that he must work out within his own parameters how *to* utilize some of the fermenters, which are available with (hem for other purposes, perhaps for production of penicillin and we are working out on that,

-About giving licence to'pthers, Madam, we have asked each and every company ᵥwho has come to us for granting a - licence for penicillin to come with a com posite plan. That would mean that the technology which they are' going to be using for introduction of penicillin in * their own factory has to be looked into. Aₛ you *are* aware, Madam, technology in the drug world is the most closely held technology. It takes years and years and years for any company to produce a particular drug. It has to be tested at various levels. The R&D effort is a - long drawn put affair; it is a very costly' affair. Therefore it is not like any other industry. The technology of the drug industry is a very closely held teeth • nology. It iₛ very difficult for any country, including India, to get this new technology brought into our country. Therefore, we are insisting that if a company is going to produce penicillin, they must , come with a composite|plan, and the Government will be happy to give them a licence if they come with a technology which is better than, much better than what is available in our country already because that newer technology will bring the cost down and all other things. Therefore, it is a fact that we are not just giving licences, but for -this newer technology we are depending on composite plans. -

SHRI JAGESH DESAI; That means, you are going to give permission to new industries for penicillin manufacture before discussing with the Chairman of the IPCL. They have got the capacity, they ' say.

SHRI R. K. JAICHANDRA SINGH: On public sector, this is one thing.

Then, Madam, the' Hathi Committee has suggested setting up a National Drug Authority. I am trying to impress upon the hon. Members of this House, through you, Madam, that these new measures - wiuV which we have come out have, in fact, incorporated many of the provisions which are implementable, according to lis, from the Hathi Committee. About setting up of the National Drug Authority, I would not go into the details. This , will be a very_. important landmark in the country, ' - '

We are having interaction with the Health Ministry" because there are overlapping jurisdictions between this Ministry and that- Ministry. With many of the points that many of the hon. Members have raised like irrational drug, I fully agree. One hon. Member raised about harmful drug, irrational drug., Madam, this does not pertain to this Ministry. It pertains to the Health Ministry. There-. fore, we are having an interaction.

SHRI-VISHVirr PRITHVUIT SINGH: It was the hon. Minister who raised that issue. Therefore, I said.

SHRI R. K. JAICHANDRA SINGH: We are having an interaction with the Health Ministry, and the hon. Minister is very much aware because I have written to him, I mean, rather he has been addressed by the I. M. himself on thiₛ particular point, because I have got a copy of the long note written to him. < We are

[Shri R- K. Jaichandra SnjM;

having aa interaction. And. this new measure has also suggested a coordination committee to be set up at the Secretary's level. That means, the Secretary of, my Department and the Secretary pr the Additional Secretary concerned of the Health Ministry would be having a committee to discuss these overtyping matters because Government must act as -one. There 'are delays in^ this. Therefore, the setting lip of the National Drug Authority, which we have included, ^is one of th^ most important recommendation of the Hathi Committee, and we have incorporated this.

About the development of the drug in dustry in the Indian sector, madam, it is hearkening to say that th£ Indian drug industry has grown over the last 20 years, particularly in our country almost vertically. In fact, it is heartening to note that our industry today is able to stand on its"o^vft"legs. It is because of the policies that "'we have adopted before. But 1278 is not 1986, or the other way round 1986 is not 1978. What was re levant in 1986 or in 1974 or wha't- was relevant before, cannot be surely, to the same extent as at that particularly point of time, relevant today. That is why, we have made out, we have come out with some deviations, we have come out with some measures. It is only to that extent that the earlier policy stands amend ed. But many of the points which we have not mentioned in these new mea sures, which we have mentioned in the earlier policy, stand. ' Therefore, I said at the very beginning that it is not a new policy. " because the old policy stands: But to the extent we have c6me out with these new measures, yes, it. stands amended.,

Tben, these are, Madam, some of the points which were mentioned in the Hathi Commit^ Report. Therefore, it is erroneous"'ant* Wrong to say that this new policy is a deviation from the Hathi Committee Report. In feet, it is more of an emphasis on that.

Then, Mr. Swaminathan, of 'course, complimented Government on various points, and I need not go into the de-I tails because he has' not raised any con-! troversial point. But, perhaps, the point on the multinational companies raised *by* Mr. Swaminath. an and also by some of the Other hon. Members, I would elucidate a little bit. * '. Yes, there may come a time f^{or} the Government to decide as to what will be the, percentage of dilution of the multi-national companies. But that is a bigger question which this Department or the Ministry alone will not be able to deal. I share the anxiety, on why should be, give more or in fact any protection to the multi-national com-" panies or even to those multi-national companies whose foreign equity i$_s$ brought down to 40 or less than 40. But 'this, is something to be taken up at a much -bigger level, because it i$_s$ not that this Department or the Ministry alone, is having a njiulti-national companies. Even other departments have. _So, the Gov-ernment as a whole must take a conscious decision. I have addressed this to . the hon. M^{e}nibers on various occassions' that this is something whiGh really is ! attracting t>e mind of the Government and may be a time will com$_e$ when we will have to deliberate upon it and take a conscious decision. But till such time we cannot differentiate. That is why we have come, - Because * the multi-national companies with 40" Or ks$_s$ in drugs same as multi-riiational cdmpany in other industries may be in the energy sector or in any other sector, we have not differentiated.

. r. Jagesh Desai has mentioned about de-licensing. In fact, another hon. Member, Mr. Vishvjit Prithvijit Singh also mentioned about de-licensing. I have assured him that the criteria which we have fixed in the new measures Will be the guidelines for the future delicensing. But the question whether or not we should review 94 or 95—1 yo not exactly remember the figure—earlier de-licensed items as per the new criteria Jaid down, this is • the matter which is receiving Govern-' ment's attention. We have not taken

a decision on this. We wanted to wait for some time for the earlier de-licensed items to take their ground. "Maybe there may com© a$time where we may have to review the whole thing, but at the present moment as of now, we do hot have, this, But I am aware of the problems and I. fully agree with the concern expressed by the hon. Member. Maybe we may have to look into it sooner than later.

On polio vaccines I don't think I will have to go into details, but I have something to say why we have taken this out from the public sector. I have done so because we need millions and millions of these vaccines. None of these is being produced in our country. It is not that tile Government does not want to protect the public sector. True the public sec-. tor is a very important sector and the Prime Minister said so on many occasions. Even the Government has come out saying that we shall' continue to protect. In fact, in the other House the PM has mentioned that a huge amount of money has been spent on public sector, much more than what has. been spent in the preceding years. So, that shows the intention of the Government that the public sector is being paid attention

The hon. Members have mentioned" about the WHO list. The WHO list is,

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available and we have passed this list . down to the Kelkar Committee, the Committee headed by the BCIP Chairman to draw up the list of category 2, list of essential drugs. They will be examining this. The WHO list will be one of the basis which they will be relying on;

On irrational drugs and harmful drugs, I have shared my thoughts. In, fact, we have taken this up with the Health Ministry* They have already set up a cell in this regard.

Then on PMP, one of the hon. Members, may be Mr. Vishvjit Prithcijit Singh, has referred as to when we will be able to give this report. The PMP Committee , which is being headed by. Mr. * Rama-swamy, the Deputy'Director-General of DGTD will be able to give its report with'in the next 30 days.

SHRI VISHVJIT PRITHVIJIT SINGH: Madam, What about....,. „„

THE DEPUTY CHAIRMAN: Now the, House stands adjourned till 11. 00 *KM.* tomorrow^ ! -

The House then Adjourned at forty-six minutes past seven of the clock, till eleven of the clock, on Friday, the 24th April, 1987.